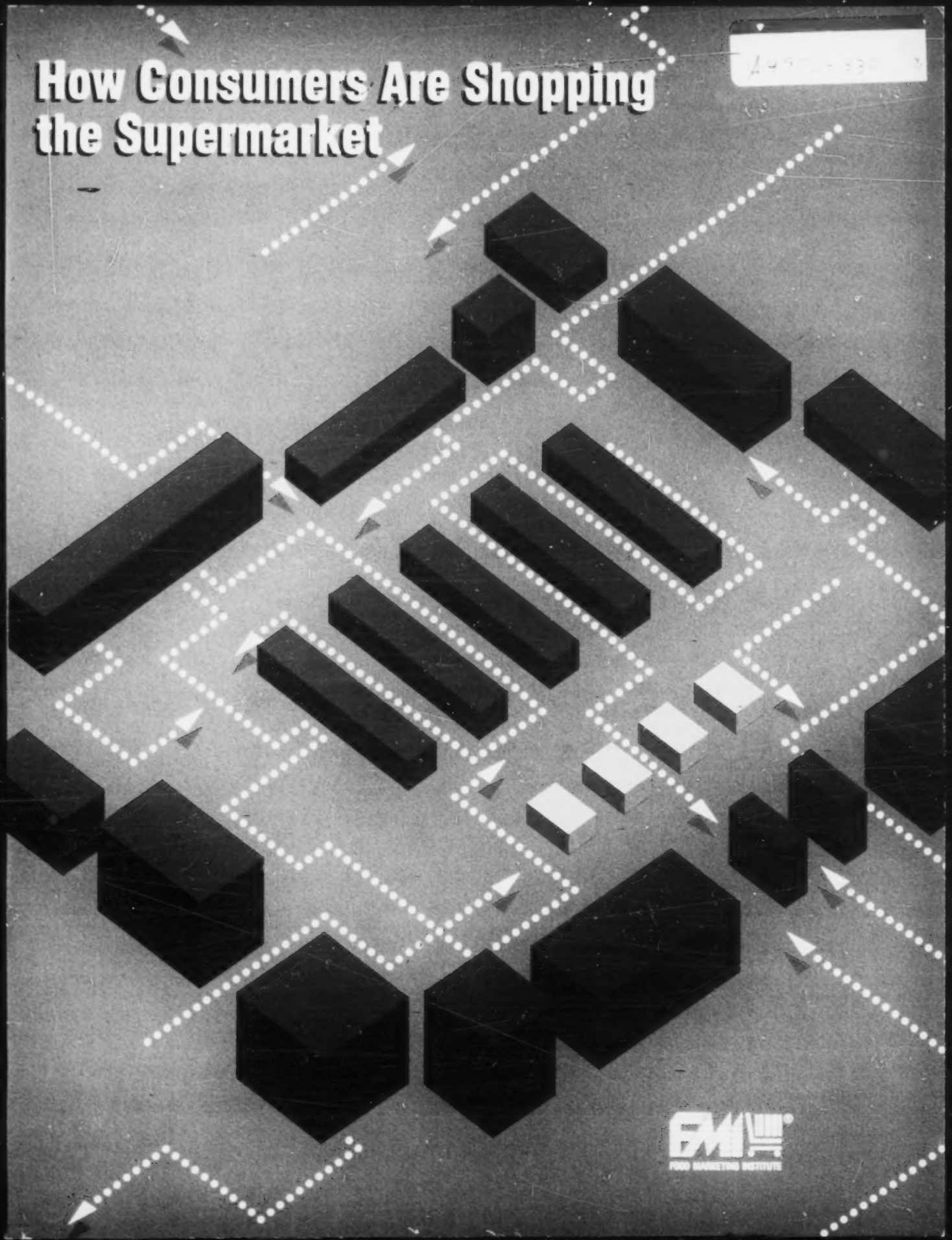
How Consumers Are Shopping the Supermarket



FOOD MARKETING INSTITUTE

HOW CONSUMERS ARE SHOPPING THE SUPERMARKET 1991

Prepared for

Food Marketing Institute

and

Coca-Cola USA

By

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The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education and public affairs on behalf of its 1,600 members--food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $180 billion--more than half of all grocery sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes 230 members from 60 countries.

Coca-Cola USA, a division of The Coca-Cola Company, markets the #1 soft drink product in the U.S. and the world --Coca-Cola classic. The division's share of total U.S. soft drink sales expanded to more than 40% in 1990. The business is driven through two distribution systems; a national sales force promoting the post-mix fountain business and an extensive bottler network servicing retail and wholesale outlets. The company enjoys the market dominance of four of the top ten soft drink brands in the U.S., reported by Beverage Digest; Coca-Cola classic the #1 brand followed by diet Coke #3, Sprite #6, and caffeine free diet Coke at #9. Other flagship brands include Minute Maid, Tab, and a new emphasis on Fresca in 1991.

Acknowledgments

FMI wishes to thank Coca-Cola USA for sponsoring this report and for their insight and support throughout the study.

FMI would also like to thank the 13 supermarket retailers who gave us permission to conduct the consumer intercept interviews in 16 of their newest and most competitive stores. Their assistance at both the corporate and store-levels made the research possible. Additionally, we are grateful to those participating retailers who reviewed this report and provided valuable feedback.

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Executive Summary

In order to market and merchandise their stores most effectively, supermarket retailers must have a good understanding of their consumers' shopping practices and how they compare to general shopping trends. While successful retailers already know much about their consumer base and the forces affecting consumer behavior, an up-to-date picture of consumer shopping dynamics will enable them to meet all shoppers' future needs more productively.

Objective

The objective of this large-scale study is to provide supermarket operators with information and insights that will help them make better decisions regarding store size, traffic flow, and merchandising for the 1990s. The information presented in this report is based on consumer in-store shopping behavior obtained by observing and interviewing more than 2,400 shoppers in supermarkets across the U.S.

Structure and Highlights of Report

This report is presented in three main sections:

Section I: How Shopping Behavior Varies by Store Size - The decision regarding the size of a store ultimately determines both its impact on consumers and on overall profitability. Until recently, according to FMI Facts About Store Development, the average size of new stores has increased every year. While some retailers will continue to successfully build larger stores, others are now looking for an indication of what is an optimum-sized store. The study findings show:

- The time consumers spend in the store increases proportionally with store size for stores under 60,000 square feet of selling area. Consumers do not increase their shopping time significantly in stores larger than 60,000 square feet. Consumers also do not tend to spend more than 35-40 minutes, excluding time spent at the checkout, in a supermarket.

- While average transaction size increases with store size, this relationship seems to weaken as stores approach 60,000 square feet in selling area. After 60,000 square feet, there is little incremental increase in average transaction size as stores become larger.

- There appears to be no correlation between the proportion of a store that consumers shop and the size of the store. Consumers in the study shop an average of only 40 percent of the supermarket on any one trip.

- Average weekly customer count increases proportionally with store size. The larger the store, on average, the more consumers it attracts.

Section II: Measures of Shopping Behavior - Most successful retailers can effectively characterize the needs and behavior of their own consumers. However, information providing actual measures of consumer behavior is also helpful as a basis of comparison. Additionally, Appendix B contains a detailed methodology that will allow retailers to replicate procedures used in this study to obtain similar measures of shopping behavior for their own consumers. A sample questionnaire is also included in Appendix C. Retailers are welcome to remove and copy this questionnaire to conduct their own study.

To analyze the measures of shopping behavior, a new shopping characteristic was formulated called *type of trip*. All shopping trips are identified as one of three types:

- **Stock-up trip** - Consumer purchased over 60 percent of weekly groceries.

- **Routine trip** - Consumer purchased 20 percent to 60 percent of weekly groceries.

- **Fill-in trip** - Consumer purchased less than 20 percent of weekly groceries.

The study findings show:

- Approximately 32 percent of consumers entering one of the selected supermarkets engage in a stock-up trip, while 41 percent engage in a routine trip. Only 27 percent of consumers enter the store on a fill-in shopping trip.

- Consumers in this study spend an average of $30* per store visit. Consumers on stock-up trips spend almost $70 per store visit, while routine shoppers spend $30 and fill-in shoppers spend $10.

**All analyses in this report are based on median statistics in order to minimize distortion from extreme values.*

- Consumers in this selected sample of supermarkets spend an average of $80 per week on groceries for their household.

- For every minute spent shopping in a supermarket, consumers in this sample spend an average of $1.33 on products.

- Consumers shop in these supermarkets for an average of 24 minutes per store visit, excluding time spent at the checkout. Stock-up shoppers spend 38 minutes shopping compared to routine shoppers who spend 23 minutes shopping and fill-in shoppers who spend only 13 minutes per store visit.

- Consumers in the study tend to travel through only 41 percent of the supermarket while shopping, although consumers on stock-up trips shop the store much more completely than routine or fill-in shoppers.

Section III: Departmental Shopping Behavior - Consumers are exposed to a number of different departments when shopping in a supermarket. The number of departments available not only impacts a consumer's shopping pattern, but also their transaction size.

By comparing consumer behavior in their own departments with these departmental shopping behavior standards obtained from across the country, retailers can gauge the success and potential of each department.

In this section, the study findings show:

- Over eight out of 10 consumers travel through the produce department while shopping. Seven out of 10 consumers purchase produce. Produce departments experiencing the highest purchase levels tend to be located early in the shopping trip.

- Just over seven out of 10 shoppers pass the dairy case while traveling through the store, and most make a dairy purchase. High dairy purchase levels seem to occur when the dairy case is located in the store's first or last specialty "power" aisle.

- Approximately six out of 10 consumers purchase a meat product. This is three-quarters of all consumers who pass the meat department during their shopping trip.

- Over three-quarters of all shoppers pass the in-store bakery with slightly less than one-half that number--35 percent--making a purchase. Bakeries that are open and allow consumers to watch items being made enjoy the highest purchase levels.

- While three-quarters of shoppers pass the in-store deli, only 22 percent make a deli purchase. In-store delis with the highest purchase levels tend to be located early in the shopping trip.

- Over one-half of consumers pass the seafood counter while shopping. However, only 10 percent of consumers make a purchase from this department. Shoppers are more likely to purchase seafood as their incomes rise.

- Approximately 13 percent of consumers make a purchase from the in-store pharmacy.

- One-quarter of all shoppers make a HBC purchase. The sample stores with the most successful HBC departments were those that pulled HBC out of the grocery aisles and placed it in special aisles next to an in-store pharmacy.

- Only four percent of all shoppers make floral purchases, although more than 50 percent of all shoppers pass a floral department during their supermarket visits.

How Consumers Are Shopping the Supermarket 1991

In order to market and merchandise their stores most effectively, supermarket retailers must have a good understanding of their consumers' shopping practices and how they compare to general shopping trends. While successful retailers already know much about their consumer base and the forces affecting consumer behavior, an up-to-date picture of consumer shopping dynamics will enable them to meet all shoppers' future needs more productively.

Objective

The objective of this large-scale study is to provide supermarket operators with information and insights that will help them make better decisions regarding store size, traffic flow, and merchandising for the 1990s. The information presented in this report is based on consumer in-store shopping behavior obtained by observing and interviewing more than 2,400 shoppers in supermarkets across the U.S. This study addresses the following issues:

- How shopping behavior varies by store size.
- How consumers shop in general.
- How consumers shop different departments of a supermarket.

Approach

To determine consumer in-store shopping behavior, 2,436 in-store consumer intercept interviews were conducted in 16 supermarkets located in eight metropolitan markets across the U.S. The interviews were conducted in one market each week from September 7, 1990 through October 27, 1990.

Store Selection

When identifying supermarkets for use in the study, the primary intent was not to obtain a nationally projectable sample for all stores. Instead, the primary purpose was to select stores which represent the newest, strongest, and most competitive supermarkets in the country. New stores--stores that were built or fully remodeled within the last two years--and competitive stores--stores which maintain a high share of grocery sales in their communities and are part of a retail chain that commands a high share of grocery sales for the entire market--were chosen to observe how consumers react to the latest operational, merchandising, and store design trends. This information will help retailers make store size, traffic flow, and merchandising decisions for newly built or remodeled supermarkets.

Examining Shopping Patterns

This study developed a new approach to examine consumer shopping patterns. Historically, consumer shopping patterns were obtained by researchers who followed shoppers around the store and plotted their paths on store maps. This is an excellent and very successful method for observing consumer shopping behavior. However, this labor intensive method did not accommodate the needs of the current study, i.e., analyzing the shopping behavior of over 2,400 shoppers. Therefore, a new strategy was developed to obtain similar information more efficiently.

In the study, all 2,436 consumers were shown a store map after they completed their shopping trips and were asked to trace their shopping paths. A comprehensive field test of this approach, in a Midwest supermarket, established that when the store map is well-labeled and detailed, consumers can trace their own shopping paths quite accurately.

Intercept Strategy

An innovative in-store intercept strategy was developed to obtain consumer participation and ensure maximum accuracy:

- Shoppers were intercepted at the entrance of the store and asked if they would be willing to participate in the study.
- Those who agreed to participate had a brightly colored card taped to the front of their shopping carts. This card served two purposes:
  - It contained the shopper's starting time.
  - It identified the shopper to interviewers stationed at the front-end of the store.
- Next, these shoppers were given a $1 incentive in appreciation for their participation, and were left alone to shop.
- Interviewers identified the participants as they approached the checkout line and recorded the time representing the end of the consumer's shopping trip.
- Interviewers also tracked the number of minutes the participant spent in the checkout line.
- Once participants exited the checkout line they were interviewed using the consumer intercept questionnaire.

The $1 incentive was very successful but was not given to consumers in advance to lure them into participating in the study. Instead, it was given as a bonus after participation had been assured, but before the consumers started their shopping trip and before they were interviewed.

By giving the incentive in advance, a "bond" was created and shoppers felt compelled to participate fully in the study. After accepting the incentive, consumers were more than willing to submit to an interview after their shopping trips, and were not likely to leave the store without being interviewed. After they completed their shopping trip, it was very common for participants to seek out an interviewer before being approached by one. In fact, during busy periods, once their ending time had been recorded, most participants waited patiently for an available interviewer to administer the questionnaire. Only three percent of shoppers accepted an incentive and left the store without completing an interview.

All consumer intercepts were conducted at the end of the week--Thursdays, Fridays, Saturdays--and at all times of the day--mornings, afternoons, evenings. While consumers who shopped at other times were not included in the study, conducting intercepts on the three highest traffic days efficiently captured the shopping behavior of a variety of consumers engaging in different types of shopping trips--stock-up, routine, and fill-in trips. The interviews were designed to obtain the following information:

- Transaction size
- Weekly expenditures on groceries
- Time spent shopping (excluding time spent in the checkout line)
- Percent of store shopped
- Purchases from all departments except grocery and frozen foods
- Shopping path (traced on store map)
- Demographics
    - Household size
    - Household income
    - Employment status
    - Age
    - Gender

Statistical Measures

All analyses in this report are based on median statistics in order to minimize distortion from extreme values. Also, while median averages are given for each consumer behavior variable studied, middle ranges are also given to show how the middle one-half of shoppers acted.

Profile of Sample Shoppers

A total of 2,436 consumers were interviewed for this study, i.e., approximately 150 from each of the 16 stores. The only screening criterion was that all shoppers had to be at least 18 years old.

The sample shoppers exhibited a wide range of household sizes, household incomes, and ages. A complete demographic breakdown of sample shoppers is given in Appendix A.

Profile of Sample Stores

A total of 16 stores were selected for the study, i.e., two in each of eight metropolitan markets across the U.S. The stores ranged in size from 21,000 square feet to 95,000 square feet and 11 contained an in-store pharmacy.

Sample Store Sizes

	Size (Sq.Ft. Selling Area)	Pharmacy
1	21,000	No
2	21,000	No
3	29,000	No
4	38,000	No
5	40,000	Yes
6	46,000	Yes
7	47,000	Yes
8	52,000	Yes
9	53,000	Yes
10	54,000	Yes
11	56,000	No
12	60,000	Yes
13	62,000	Yes
14	68,000	Yes
15	80,000	Yes
16	95,000	Yes

Chapter 1: How Shopping Behavior Varies By Store Size

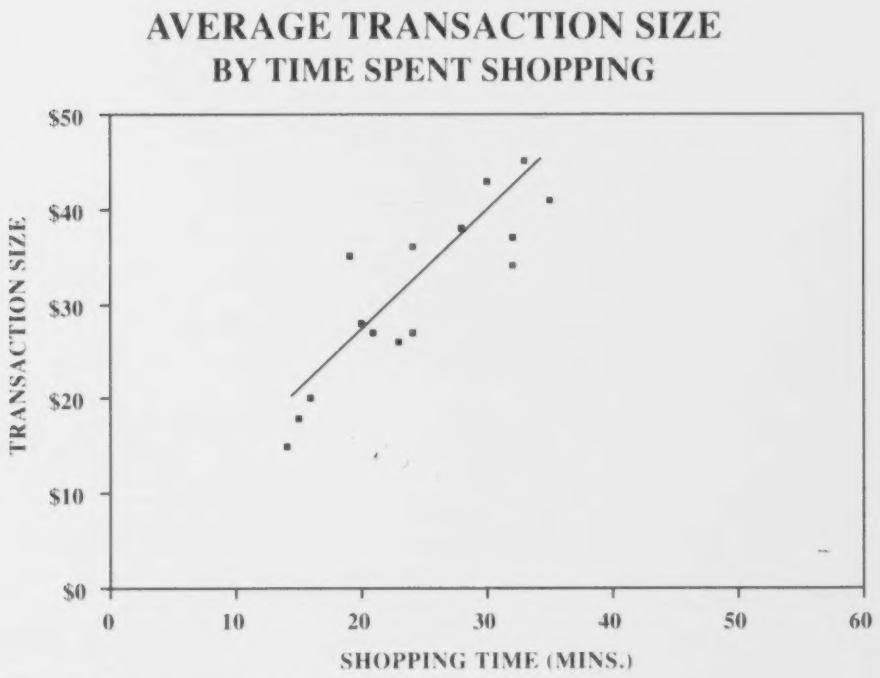
In the increasingly competitive environment of the supermarket industry, retailers face many important strategic issues that will affect the success of their businesses during the 1990s. One of these issues--the decision on the size of a store--impacts both consumers' shopping patterns and overall store profitability. FMI Facts About Store Development reports that, until recently, the average size of new stores has been rising. While some retailers will continue to successfully build larger stores, others are now looking for an indication of what is an optimum-sized store.

Therefore, there is a great deal of interest among retailers in understanding how large a supermarket can be before it hits the area of diminishing returns. While there is no single answer, the following relationships should help executives planning their future stores.

- What effect does the amount of time a consumer spends shopping have on their transaction size?
- What effect does store size have on the amount of time a consumer spends shopping?
- What effect does store size have on consumer transaction size?
- What effect does store size have on the percent of a store that a consumer shops?
- What effect does store size have on average customer count?

Average Transaction Size By Time Spent Shopping

The first strategic issue to be analyzed is the relationship between average time spent shopping and transaction size. As consumers spend more time in a store, to what extent do they spend more money?



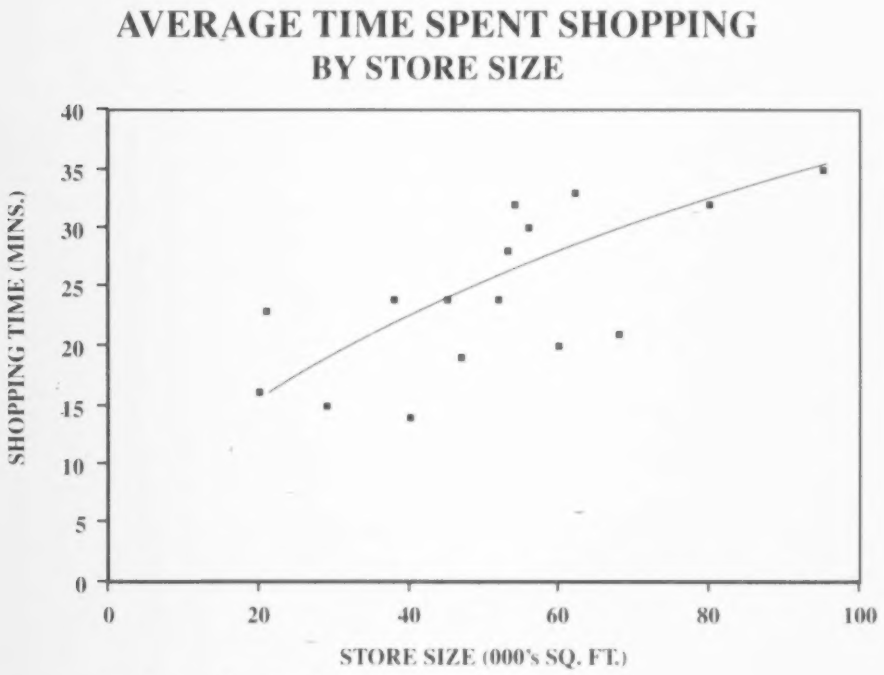
Averages are based on median statistics.

Each point on the graph represents research results from one sample store. In this case, each point reveals a store's average transaction size and average consumer shopping time.

After comparing the shopping times and transaction sizes for the sample consumers who shopped the 16 stores in the study, it is apparent that the amount of time a consumer spends shopping in a supermarket affects their transaction size. The graph illustrates that the more time a shopper spends in the store, the more money he or she will spend. In fact, once a consumer shops for 12-13 minutes, it appears to be a straight-line relationship. While what is the "cause" and what is the "effect" is not readily apparent, clearly spending more time in the store is strongly and directly associated with spending more dollars.

Average Time Spent Shopping By Store Size

When making store size decisions, one retail issue is the effect of store size on the time a consumer spends shopping. Retailers want to know whether consumers spend more time shopping in larger stores and if so, what is the maximum amount of time they will spend at any size store.



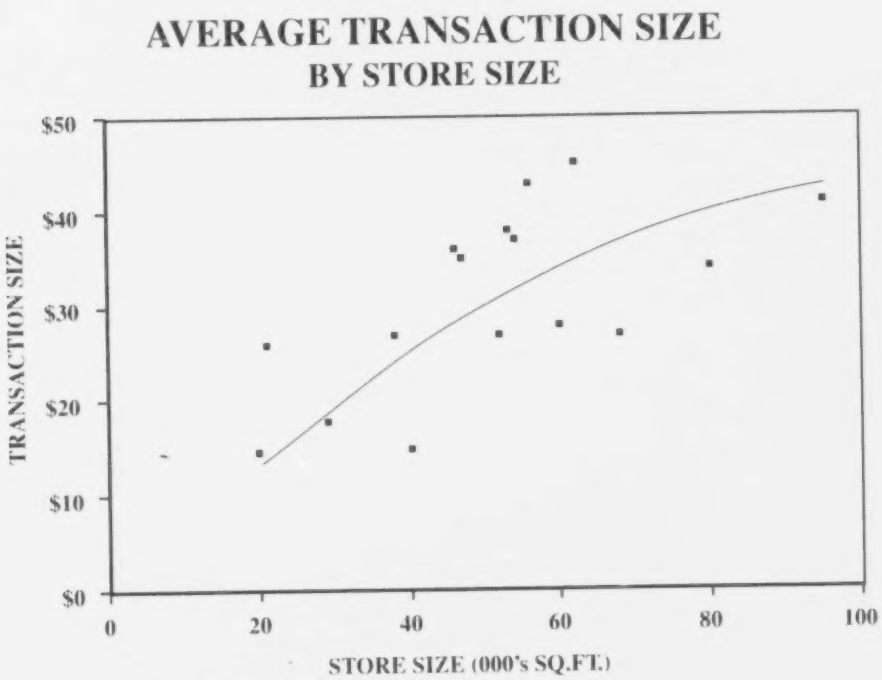
Averages are based on median statistics.

Each point on the graph represents the size of a sample store and the store's average consumer shopping time.

Looking across the 16 study stores, it appears that the time a consumer spends in a store increases proportionally with store size for stores under 60,000 square feet of selling area. However, consumers do not increase their shopping time significantly in stores larger than 60,000 square feet in selling area. They also do not tend to spend more than 35-40 minutes in any store regardless of the size of the supermarket. Apparently, larger stores are shopped for a longer period of time, but not in proportion to their size.

Average Transaction Size By Store Size

Another issue that retailers face is the effect of store size on shoppers' average transaction size. When making store size decisions, it is helpful for retailers to know if consumers have a tendency to spend more money in larger stores; and if so, when does this correlation between dollars spent and store size end?

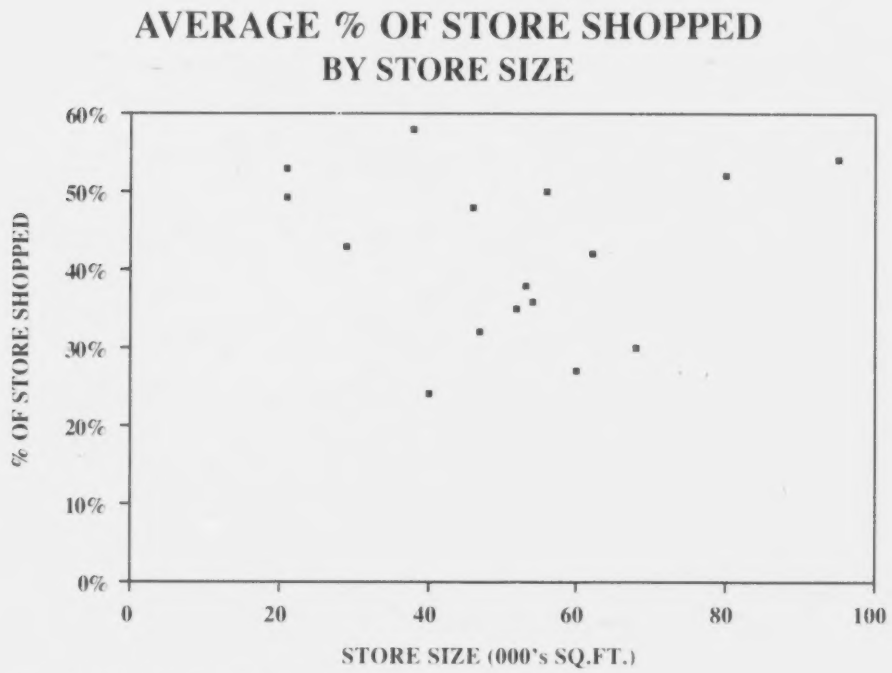


Averages are based on median statistics.

While average transaction size does increase with store size, this relationship seems to flatten out when stores approach 60,000 square feet. After this point, there is very little incremental increase in average transaction size as the stores become larger. There appears to be a "glass ceiling" holding transaction size down. Average spending hits a peak and then is not greatly influenced by store size.

Average Percent of Store Shopped By Store Size

How the size of a store affects the degree to which the store is shopped is another interesting issue retailers face. As retailers decide how large new stores should be, an indication of how completely the store will be shopped is helpful.

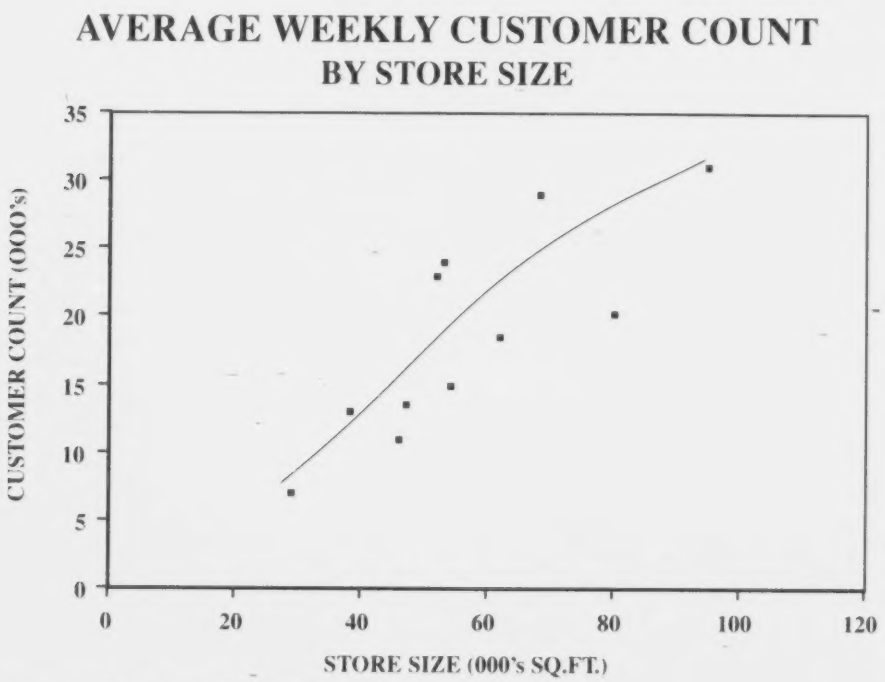


Averages are based on median statistics.

There appears to be no correlation between the percent of a store that consumers shop and the size of the store. While there is wide variation, on average, consumers appear to shop only 40 percent of any supermarket on any one trip. To a certain extent, the lack of a relationship between percent of store shopped and store size is good news because it means that there are ways to keep people shopping a progressively larger store.

Average Customer Count By Store Size

Retailers primarily build larger stores to attract and serve a larger number of consumers. The extent to which this is true will determine the ultimate success or failure of the store. However, supermarket operators want to know if there is a point at which increasing the size of a store no longer affects the number of consumers it attracts.



Averages are based on median statistics.

Average weekly customer count increases proportionally with store size. Therefore, among successful supermarkets, the larger the store, the more shoppers it attracts. This trend only begins to decrease once store size approaches 100,000 square feet. This trend illustrates why some big stores are so successful. These stores use space and other attributes to attract a larger number of consumers. It is likely that these successful stores not only draw more consumers from an expanded trade area, but may also attract consumers in their existing trade areas to visit more frequently. If this is occurring, these consumers probably build different types of transactions as they visit the same store.

This section has demonstrated that larger is better only up to a point unless the definition of a supermarket is expanded, i.e., offers more non-traditional products and services. If so, it appears that there is some real upside potential for the supermarket. If not, it appears that there are definitely limits in what can be done.

Chapter 2: Measures of Shopping Behavior

Supermarket retailers continually strive to meet consumer needs while simultaneously working to maximize their operational efficiency and profits. In order to accomplish these goals, it is helpful for retailers to have a good understanding of their consumers' shopping behavior and the effectiveness of their own merchandising efforts and store design. By comparing the shopping behavior of their own consumers to that of supermarket consumers across the country, retailers can better gauge their own successes and identify areas that need more attention. Appendix B provides a detailed methodology that will allow retailers to replicate the study procedures and obtain measures of their consumer's shopping behavior that are comparable to the industry measures outlined in the study. Additionally, Appendix C provides a sample consumer intercept questionnaire which retailers can use to interview their own shoppers.

To begin this process, retailers should have access to the most important measures of shopping behavior obtained from consumers throughout the country. This section looks at five measures of consumer shopping behavior, provides an average value for each, and analyzes how they are affected by a number of consumer characteristics. The five measures are:

- Transaction size
- Weekly grocery expenditures
- Dollars spent per minute
- Time spent shopping
- Percent of store shopped

While this section looks at each measure of shopping behavior and explains how it is influenced by several consumer characteristics, Appendix D presents the other point of view. It examines each consumer characteristic and shows how it affects all five measures of consumer shopping behavior.

To further analyze the five measures of shopping behavior, a new shopping characteristic was formulated called *type of trip*. This classification identifies all shopping trips as one of three *types*: stock-up, routine, and fill-in trips. *Type of trip* is determined by the proportion of a consumer's weekly grocery expenditures spent on that trip:

- **Stock-up trip** - Consumer purchased over 60 percent of weekly groceries.

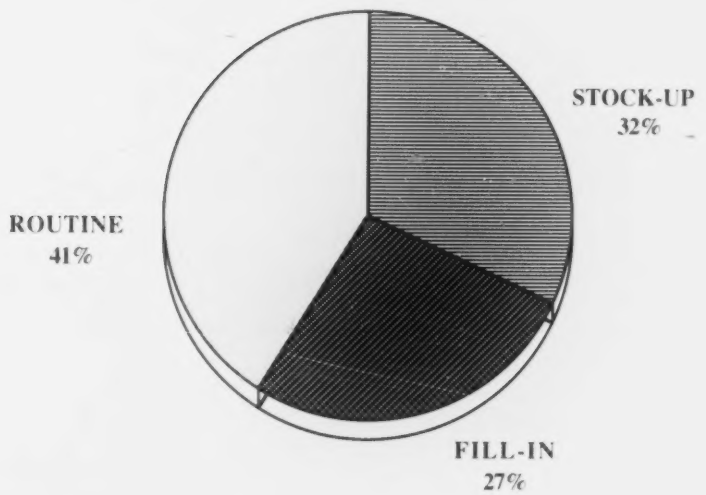
- **Routine trip** - Consumer purchased 20 percent to 60 percent of weekly groceries.

- **Fill-in trip** - Consumer purchased less than 20 percent of weekly groceries.

The supermarket industry typically uses just two classifications of shopping trips, i.e., stock-up and fill-in trips. However, a third classification of shopping trip--routine trip --was established in order to best evaluate shoppers who break with the traditional patterns. The category of routine trip captures the shopping behavior of consumers whose trips fall between stock-up and fill-in trips. Consumers on a routine trip purchase a moderate portion of their weekly groceries and are likely to embark on other routine, stock-up, or fill-in trips that week.

Type of trip is used as another characteristic to examine and evaluate the five measures of shopping behavior. The shopping trips for participants in the study were broken down in the following manner.

TYPE OF SHOPPING TRIP
(% OF TOTAL SAMPLE)



Averages are based on median statistics.

Surprisingly, the largest group of shoppers falls into the non-traditional routine trip category. This could be important for retailers to keep in mind when selecting an advertising strategy and considering tactics to differentiate themselves from the competition.

Transaction Size

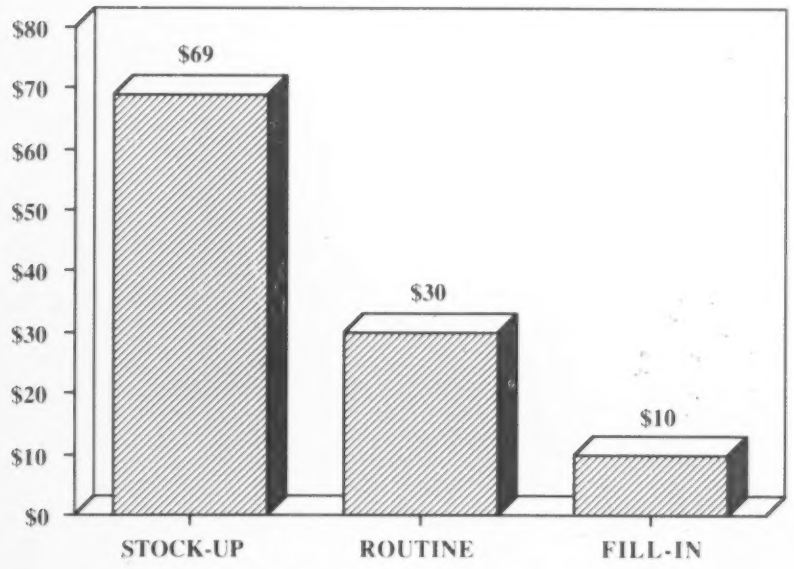
Transaction size refers to the dollars a consumer spends during a supermarket visit. This figure was obtained by asking participating sample consumers the size of their grocery bill immediately after they had paid the cashier and exited the checkout line.

Average Transaction Size	Middle Range
$30	$15-$57

This average transaction size is given by the actual consumer, a different source from the scanner generated data typically used in the supermarket. It may be interesting for retailers to see how it compares with their own statistics.

Transaction size varies significantly by several consumer characteristics--including type of trip.

AVERAGE TRANSACTION SIZE
BY TYPE OF TRIP



Averages are based on median statistics.

Consumers on stock-up trips spend over twice as much as routine shoppers and seven times as much as fill-in shoppers.

Transaction size is also affected by:

- **Household Size** - Households with two or more people spend much more than single-person households.
- **Household Income** - As consumer household income increases, so does average transaction size.
- **Employment Status** - Consumers who work outside the home appear to concentrate their purchases into fewer trips and thus, have a higher transaction size than consumers who do not work outside the home.
- **Age** - Average transaction size decreases dramatically when consumers reach the age of 65.
- **Gender** - Female consumers spend much more per store visit than male consumers.

Weekly Grocery Expenditures

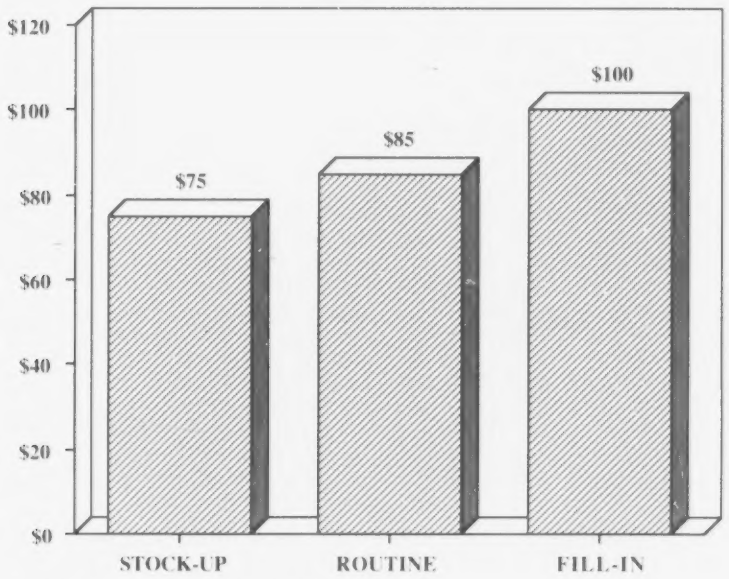
Weekly grocery expenditures refers to the dollars a household typically spends on groceries each week. This figure is the consumer's best estimate of household weekly purchases.

Avg. Weekly Expenditures on Groceries	Middle Range
$80	$60-$110

Since consumers are spending only $80 per week on groceries, many progressive retailers are expressing interest in entering new product markets to attract a greater proportion of their consumers' disposable income.

Weekly grocery expenditures are greatly affected by type of trip.

AVERAGE WEEKLY GROCERY EXPENDITURES BY TYPE OF TRIP



Averages are based on median statistics.

Consumers who are on fill-in trips spend more per week than both routine and stock-up shoppers.

Weekly expenditures on groceries are also influenced by:

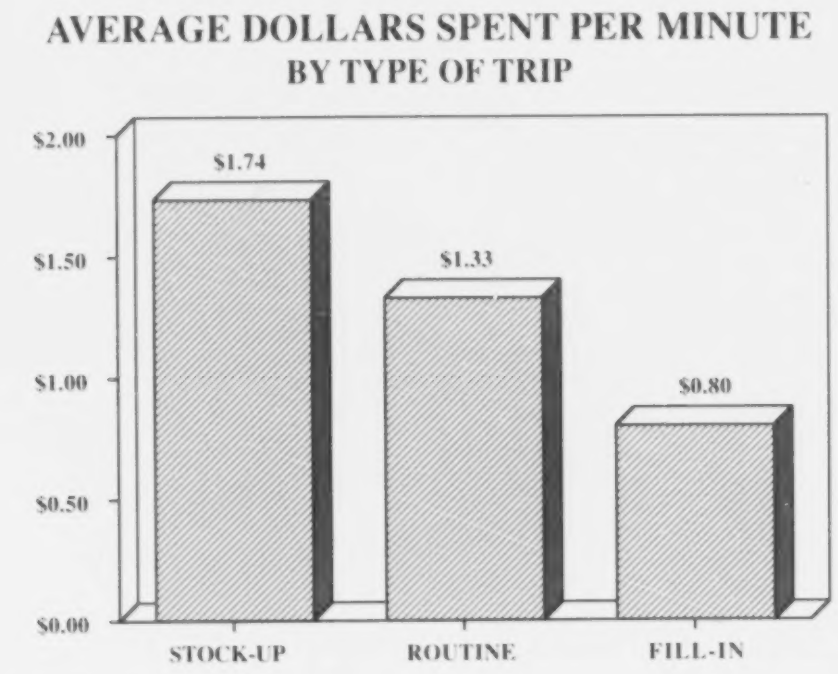
- **Household Size** - The larger a consumer's household, the more it spends on groceries each week.
- **Household Income** - As household income rises, so does weekly expenditures on groceries.
- **Age** - Consumers over the age of 65 spend less per week than younger consumers.

Dollars Spent Per Minute

Dollars spent per minute may actually represent the ultimate measure of consumer productivity. In fact, some retailers may want to consider managing against this statistic. Dollars spent per minute is calculated by dividing the amount a sample consumer spent on a shopping visit by the number of minutes that the consumer spent shopping in the store and taking the median value.

Average Dollars Spent Per Minute	Middle Range
$1.33	$.80-$2.12

Dollars spent per minute varies significantly by type of trip:



Averages are based on median statistics.

Stock-up shoppers not only spend much more than routine or fill-in shoppers, they also shop more intensely. Stock-up shoppers spend a large percentage of their total shopping time actually selecting and purchasing products--productive shopping. While traveling through a store, stock-up shoppers typically purchase a large number of products. Conversely, routine and fill-in shoppers shop less productively because they must spend a great deal of time and effort traveling through the store, searching for those products they want to purchase, and relatively little time actually selecting and purchasing these products.

The level of consumer dollars spent per minute is also influenced by:

- **Household Size** - As the size of a consumer's household increases, so does the amount spent per minute shopped.

- **Employment Status** - Employed consumers concentrate their shopping and spend more dollars per minute than shoppers who are not employed outside the home.

- **Age** - Consumers aged 65+ shop more leisurely and spend less per minute than other shoppers.

- **Gender** - Female consumers spend slightly less per minute shopped than male consumers.

Time Spent Shopping

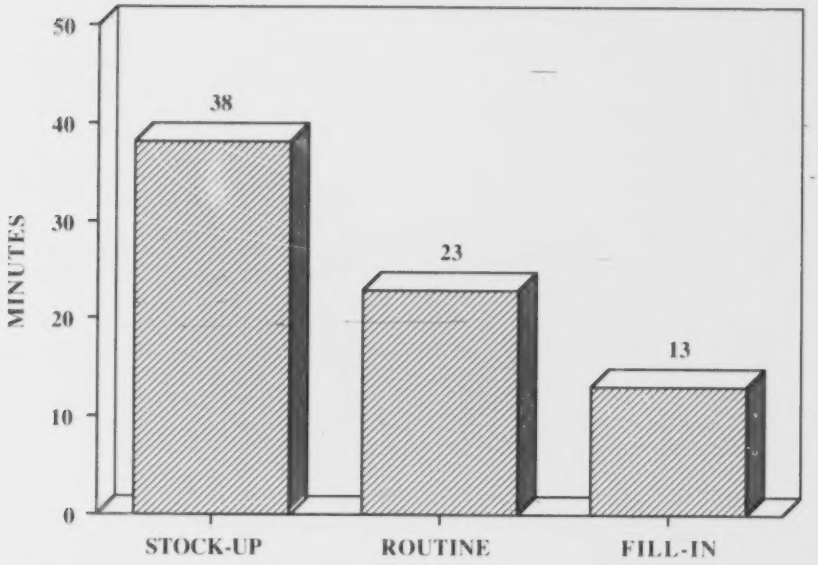
Time spent shopping is the number of minutes a consumer spends shopping the supermarket, excluding time spent in the checkout line, and was determined through observation.

Average Time Spent Shopping	Middle Range
24 Minutes	14-38 Minutes

Twenty-four minutes is not very much time for a consumer to make all of his/her purchases and still be stimulated by in-store promotions. It is likely that many retailers may want to consider ways of keeping consumers in their stores longer.

Time spent shopping varies significantly by type of trip.

AVERAGE TIME SPENT SHOPPING
BY TYPE OF TRIP



Averages are based on median statistics.

Stock-up shoppers spent much more time shopping than either routine or fill-in shoppers.

The amount of time a sample ~~consumer~~ spends shopping is also influenced by:

- **Household Income** - As incomes rise, consumers spend more time shopping.
- **Age** - Consumers in the youngest age group, 18-24 years old, spend less time shopping than all other consumers.
- **Gender** - Female consumers spend much more time shopping than male consumers.

Percent of Store Shopped

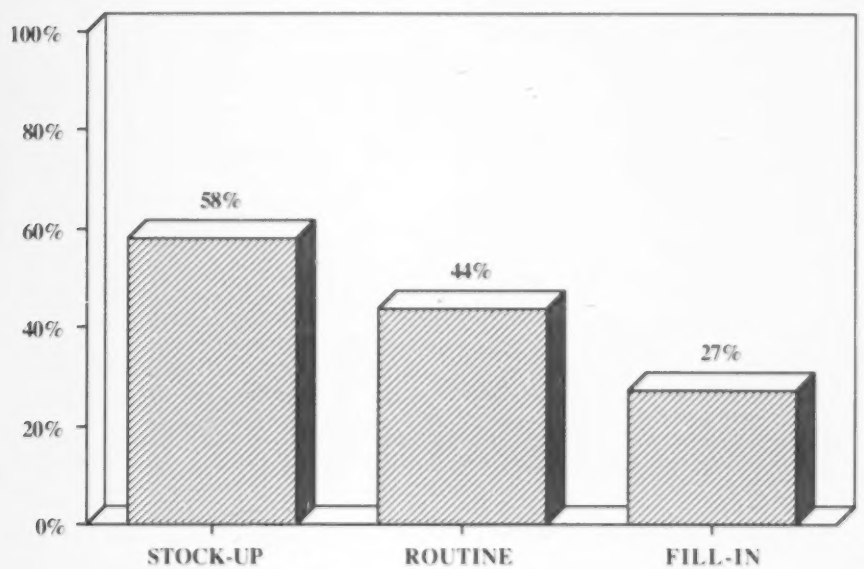
Percent of store shopped is a variable that determines how completely a consumer shopped a store. It is calculated by comparing the total number of areas (aisles and specialty departments) a consumer must travel through in order to completely shop the store, with the number of areas the consumer **actually** traveled through on his/her shopping trip.

Average Percent of Store Shopped	Middle Range
41%	29%-60%

The average percent of store shopped gives the supermarket substantial upside potential to expand business among existing consumers.

Percent of store shopped varies significantly by type of trip.

AVERAGE PERCENT OF STORE SHOPPED
BY TYPE OF TRIP



Averages are based on median statistics.

In the study, stock-up shoppers shopped more of the store than consumers on routine or fill-in shopping trips. However, even stock-up shoppers typically cover less than 60 percent of the store.

The percent of store shopped is also influenced by:

- **Employment Status** - Consumers who are employed full-time shop more of the supermarket on each visit than consumers who are not employed outside the home.

- **Age** - Consumers in the youngest age group, 18-24 years old, shop less of the store than their older counterparts.

- **Gender** - Female consumers tend to shop more of the store than male consumers.

The shopping behavior benchmarks presented in this section help highlight the need for retailers to market by household. This could open the door to a whole new basis for managing the business.

Chapter 3: Departmental Shopping Behavior

This section focuses on consumer shopping behavior in all departments of the supermarket, except dry grocery and frozen foods. In order to effectively analyze the importance and unique qualities of these departments, they have been classified into three groups: Traditional Perishable Departments, Service Perishable Departments, and Non-food Departments.

Such a classification breaks down in the following way:

- Traditional Perishable Departments
  - Produce
  - Dairy
  - Meat
- Service Perishable Departments
  - Bakery
  - Deli
  - Seafood
- Non-food Departments
  - Pharmacy
  - HBC
  - Floral

Individual departments in each of the three groups are analyzed with respect to the following issues:

- Purchases in each department.
- Consumer proximity to each department*.
- Factors that influence department purchases.

**For consumers to be counted as in proximity to a department, they must have traveled directly through or past the department or department's service counter during the course of their shopping trips.*

The following table presents the percent of consumers who make a purchase from each department, as well as the percent of consumers who travel through or past each department during their shopping trips.

Departmental Shopping Behavior

	Consumers Purchasing	Consumers in Proximity	Purchase Conversion*
Traditional Perishable Departments			
Produce	73%	84%	87%
Dairy	69%	73%	95%
Meat	59%	73%	81%
Service Perishable Departments			
Bakery	35%	77%	45%
Deli	22%	73%	30%
Seafood	10%	53%	19%
Non-food Departments			
Pharmacy	13%	31%	42%
HBC	23%	38%	61%
Floral	4%	52%	8%

**Purchase conversion is the percent of consumers who traveled through or past a department during their shopping trip and purchased a product from that department. However, it should be noted that we do not know if consumers who traveled through a department were shopping the department, or merely passing through.*

Traditional perishable departments are the most popular non-grocery departments in a supermarket. Each department from this group sells products to over one-half of all consumers who enter the store. The other two departmental groups also contain popular individual departments, i.e., bakery and deli from service perishables, and HBC from non-foods.

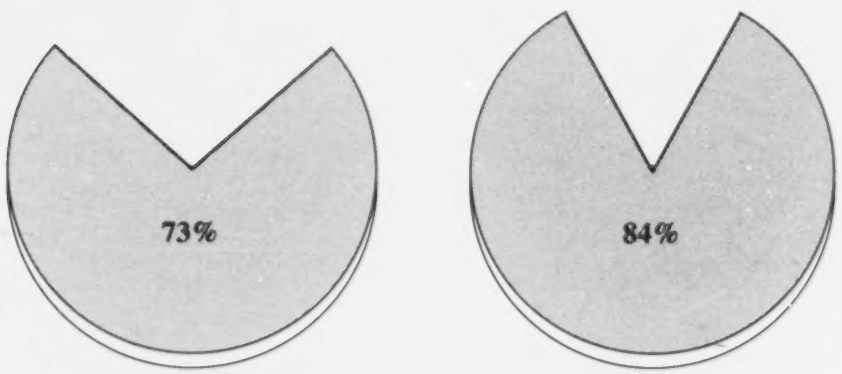
Traditional Perishable Departments

Traditional perishable departments--produce, dairy, and meat--are an important part of any supermarket. They are key contributors to store sales and profits.

Produce

Produce is the most widely shopped non-grocery department.

SHOPPING THE PRODUCE DEPARTMENT
(% OF CONSUMERS)



CONSUMERS PURCHASING
(Middle Range: 61%-78%)

CONSUMERS IN PROXIMITY
(Middle Range: 78%-95%)

Averages are based on median statistics.

The popularity of produce is illustrated by the chart, which shows that seven out of 10 consumers in the selected sample of supermarkets purchase produce. Produce is also a heavily traveled area--eight out of 10 consumers enter the department.

The high produce purchase level is affected by:

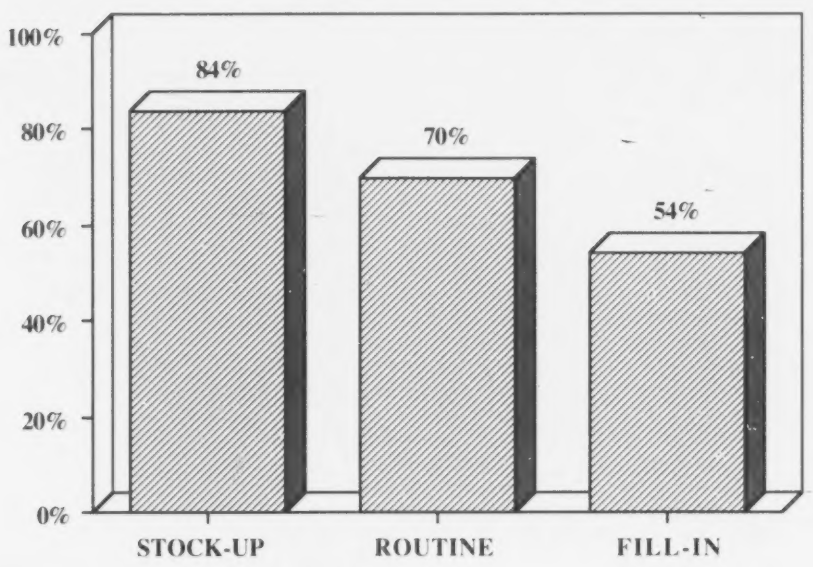
- Department location
- Consumer proximity
- Type of shopping trip, e.g., stock-up, routine, fill-in
- Consumer income
- Consumer age
- Consumer gender

Department Location - Produce departments experiencing the highest purchase levels tend to be located early in the shopping trip. For example, three of the four stores with the highest produce purchase levels, averaging 83 percent, placed the department early in the shopping path. The fourth store was located in an area with very little competition and, consequently, achieved high purchase levels in all departments.

Consumer Proximity - Consumer proximity to the produce department, i.e., the percent of consumers who walk through the produce department, also affects produce purchases: eight out of 10 consumers who enter the produce department make a purchase from that department. Additionally, looking across the 16 sample stores, those with the highest produce purchases also had the highest proportion of consumers who entered the produce department during their shopping trips.

Type of Shopping Trip - Produce purchases are also significantly affected by the type of shopping trip.

% OF CONSUMERS PURCHASING PRODUCE
BY TYPE OF TRIP



Averages are based on median statistics.

Produce is a commodity that is an integral part of all types of shopping trips. Over eight out of 10 stock-up shoppers and seven out of 10 routine shoppers purchase produce. A majority of fill-in shoppers--over five out of 10--also make a produce purchase, demonstrating the wide appeal and importance of produce to all supermarket shoppers. Additionally, the importance of produce in building traffic of all shoppers cannot be over-estimated since purchase levels for each type of trip are higher for produce than for any other non-grocery department.

Given that such a large majority of stock-up shoppers purchase produce, it is not surprising that the sample stores with the four highest produce purchase levels were shopped by a higher-than-average number of stock-up shoppers.

- 38 percent of shoppers at the stores with the four highest produce purchase levels were stock-up shoppers.

- 32 percent of all sample shoppers were on stock-up trips.

Consumer Income - Household income also affects produce purchases. The higher a consumer's income, the more likely that consumer will buy produce.

- Over 73 percent of consumers with an annual income over $35,000 made a produce purchase.

- 65 percent of consumers with an annual income under $35,000 purchased produce.

Additionally, stores with the four highest produce purchase levels had a more affluent consumer base than the sample average.

Consumer Age - Among sample shoppers, the propensity to purchase produce increases dramatically with consumer age--but levels off at the age of 65.

- 57 percent of consumers in the 18-24 age group purchase produce.
- 77 percent of shoppers aged 50-64 purchase produce.
- 71 percent of consumers aged 65+ purchase produce.

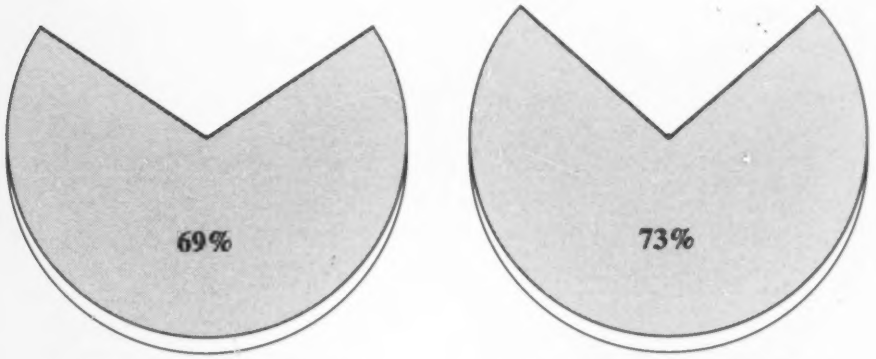
Consumer Gender - Female shoppers are more inclined to purchase produce than male shoppers.

- 72 percent of female shoppers purchase produce.
- 64 percent of male shoppers purchase produce.

Dairy

Dairy is another popular non-grocery department, although its popularity falls just behind produce.

SHOPPING THE DAIRY DEPARTMENT
(% OF CONSUMERS)



CONSUMERS PURCHASING
(Middle Range: 64%-74%)

CONSUMERS IN PROXIMITY
(Middle Range: 66%-90%)

Averages are based on median statistics.

Slightly under seven out of 10 consumers entering one of the sample supermarkets purchase products from the dairy department, while just over seven out of 10 shoppers pass the dairy case on a shopping trip.

The high dairy purchase level is strongly dependent on:

- Department location
- Type of shopping trip
- Consumer age
- Consumer gender

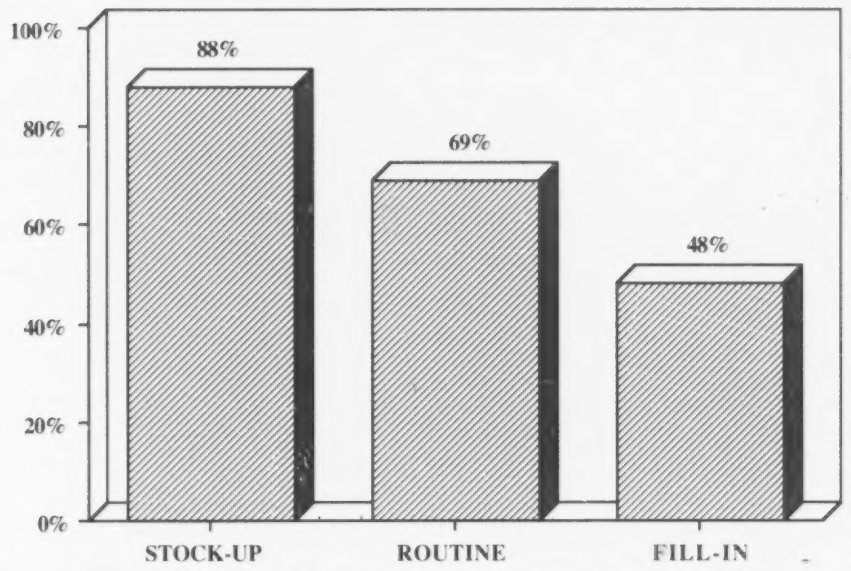
Department Location - Department location can influence the number of consumers passing a dairy case and can translate directly into dairy sales: over nine out of 10 consumers who pass the dairy case in one of the selected sample supermarkets buy a dairy product. This is the highest level of conversion--consumers passing the department and buying a product--found among all departments.

Many stores place their dairy cases along the backwall. However, this location does not produce consistent dairy purchase levels. Looking across all stores studied, some stores with a backwall dairy case have high purchase levels, while others have very low purchase levels.

Consistently, high dairy purchase levels seem to occur when the dairy case is located in the store's first or last specialty "power" aisle. The stores with the two highest dairy purchase levels in the sample, 80 percent each, located their dairy cases in these areas.

Type of Shopping Trip - Another factor influencing dairy purchases is type of shopping trip.

% OF CONSUMERS PURCHASING DAIRY BY TYPE OF TRIP



Averages are based on median statistics.

Dairy products are frequently purchased on all types of shopping trips. While it is not surprising that the vast majority of stock-up and routine shoppers purchase dairy products, almost one-half of fill-in shoppers also make a dairy purchase. This proves that the quality and selection of products in the dairy case is important to virtually all consumers entering the store.

Consumer Age - The likelihood of consumers purchasing dairy items is somewhat influenced by age: senior shoppers tend to be less likely to buy dairy products. However, dairy purchases do not decrease dramatically as shoppers reach the age of 65. The dairy department offers so many household staples such as milk, eggs, cheese, etc., that as diets change with age, seniors often substitute some dairy products for others. Therefore, their trips to the dairy case are nearly as frequent as those of younger shoppers.

- Over seven out of 10 consumers between the ages of 25 and 64 purchase dairy products during their shopping trips.

- Six out of 10 consumers aged 65+ make dairy purchases on their supermarket visits.

Consumer Gender - Female shoppers are also slightly more likely to purchase dairy products than male shoppers.

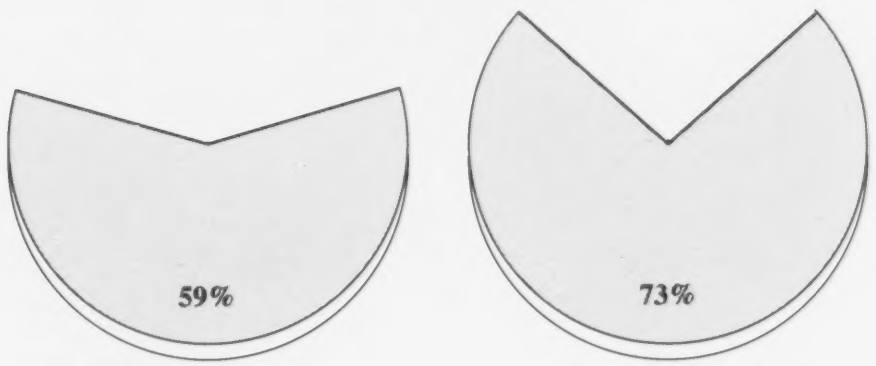
- Seven out of 10 female shoppers purchase dairy products.

- Six out of 10 male shoppers purchase dairy products.

Meat

The meat department is another popular traditional perishable department.

SHOPPING THE MEAT DEPARTMENT
(% OF CONSUMERS)



CONSUMERS PURCHASING
(Middle Range: 54%-64%)

CONSUMERS IN PROXIMITY
(Middle Range: 66%-85%)

Averages are based on median statistics.

Almost six out of 10 supermarket shoppers purchase meat. Additionally, over seven out of 10 shoppers pass by the meat counter during the course of their shopping trips.

Consumer purchases of meat vary widely with:

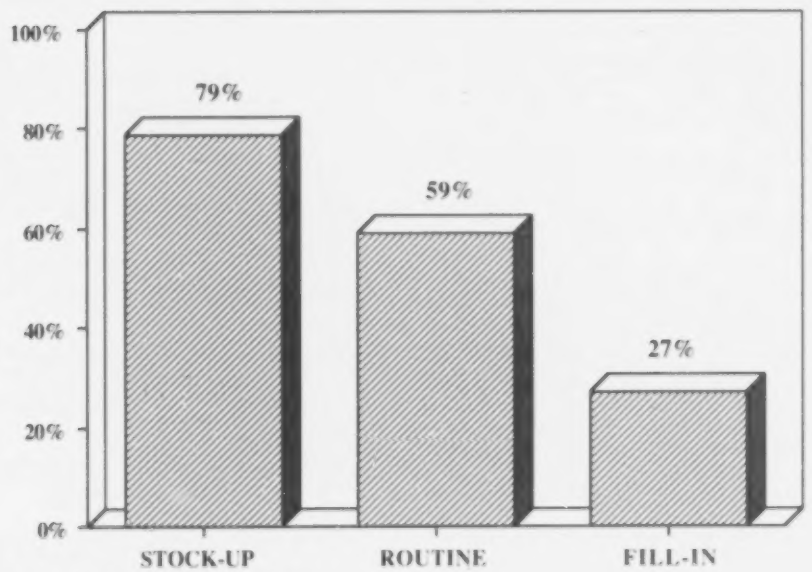
- Consumer proximity
- Store size
- Type of shopping trip
- Consumer income
- Consumer gender

Consumer Proximity - Survey results reveal a high correlation between consumers passing by a meat department during a shopping trip and actually purchasing a meat product. Over three-quarters of all consumers who pass by the meat department make a meat purchase.

Store Size - Since most meat departments are located along the backwall of the store, it is difficult to tell if department location has an impact on meat purchases. However, store size does have an effect. While the sizes of sample stores with the highest percent of consumers purchasing meat varied widely, stores with the lowest purchase percentages were all among the smallest stores studied.

Type of Shopping Trip - Meat purchases are also significantly affected by the type of shopping trip.

% OF CONSUMERS PURCHASING MEAT
BY TYPE OF TRIP



Averages are based on median statistics.

In the sample stores, meat is frequently purchased by both stock-up and routine shoppers. Almost eight out of 10 stock-up shoppers and six out of 10 routine shoppers make a meat purchase, while fewer than three out of 10 fill-in shoppers buy meat.

Furthermore, the stores with the four highest meat purchase levels, averaging 67 percent, also have a larger-than-average percent of consumers who are on stock-up and routine trips.

- 78 percent of consumers in stores with the four highest meat purchase levels were on stock-up or routine shopping trips.

- 73 percent of consumers in all the sample stores were on stock-up or routine shopping trips.

Consumer Income - Consumers are generally more likely to purchase a product from the meat department as their household incomes rise.

- 46 percent of consumers with an annual income under $15,000 purchase meat.

- 62 percent of consumers with an annual income between $45,000 and $55,000 purchase meat.

- 57 percent of consumers in the highest income bracket--$55,000+-- purchase meat.

Consumer Gender - Female shoppers are more inclined to purchase meat than male shoppers.

- Six out of 10 female shoppers purchase meat.

- Five out of 10 male shoppers purchase meat.

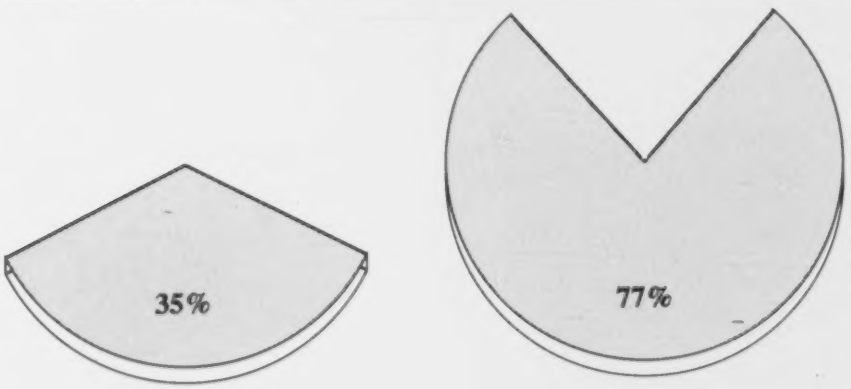
Service Perishable Departments

The importance of service perishable departments--bakery, deli, and seafood--has greatly increased as consumers have become more concerned with serving fresh, healthy meals that are easy to prepare.

Bakery

The in-store bakery is the most popular of the three service perishable departments.

SHOPPING THE IN-STORE BAKERY
(% OF CONSUMERS)



CONSUMERS PURCHASING
(Middle Range: 25%-44%)

CONSUMERS IN PROXIMITY
(Middle Range: 64%-91%)

Averages are based on median statistics.

Approximately one-third of all shoppers who participated in the study made a bakery purchase while on a shopping trip. Over twice that number--77 percent--walked past the in-store bakery while shopping. Therefore, almost one-half of all shoppers who pass the bakery, make a purchase.

Bakery purchases in the 16 sample stores vary significantly with:

- Department location
- Store size
- Visual appeal of bakery
- Type of shopping trip
- Consumer income
- Consumer gender

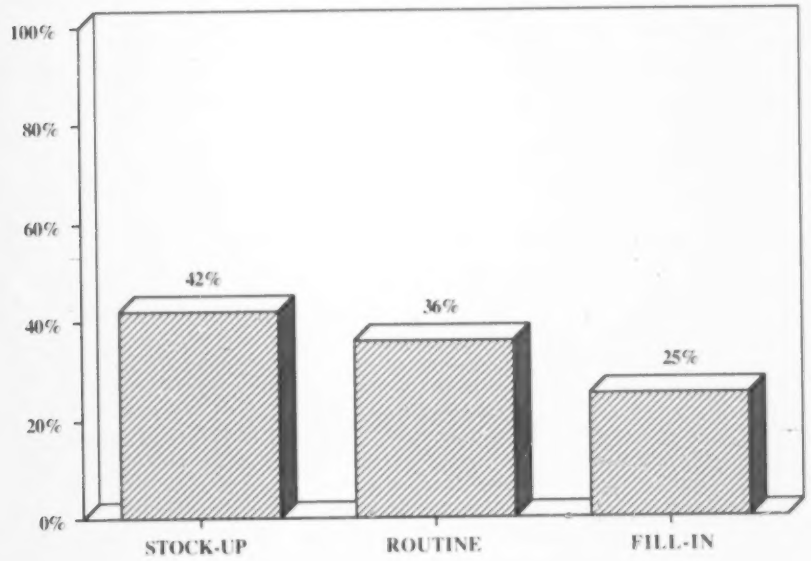
Department Location - Bakeries located early in the shopping trip enjoy higher purchases. Three of the sample stores with the four highest bakery purchases were located early in the shopping trip--in the store's first specialty aisle.

Store Size - Consumers who shop in large stores are more likely to buy a product from the in-store bakery than consumers who shop in smaller stores. Of the 16 stores participating in the study, those with the four highest bakery purchases (average 51 percent) were among the largest stores, while the stores with the four lowest bakery purchases (average 21 percent) were among the smallest in the study.

Visual Appeal of Bakery - Attractive, open-air bakeries which allow consumers to watch all items being made increases bakery purchases. Two of the three most popular bakeries in the study offered these visually appealing bakeries where consumers could watch the entire baking process. Most of the other bakeries in the study were quite small and the preparation areas were hidden from consumer view.

Type of Shopping Trip - Bakery purchase levels also vary with a consumer's type of shopping trip.

% OF CONSUMERS PURCHASING BAKERY
BY TYPE OF TRIP



Averages are based on median statistics.

Approximately 42 percent of stock-up consumers make a bakery purchase, while slightly fewer routine shoppers--36 percent--buy bakery products. Finally, only one-quarter of all fill-in shoppers purchase in-store bakery products.

Consumer Income - Consumer household income also influences bakery purchases. As income rises, so does the propensity to make a bakery purchase.

- Three out of 10 consumers with annual incomes under $35,000 purchase bakery products.
- Four out of 10 consumers with incomes over $35,000 purchase products from the in-store bakery.

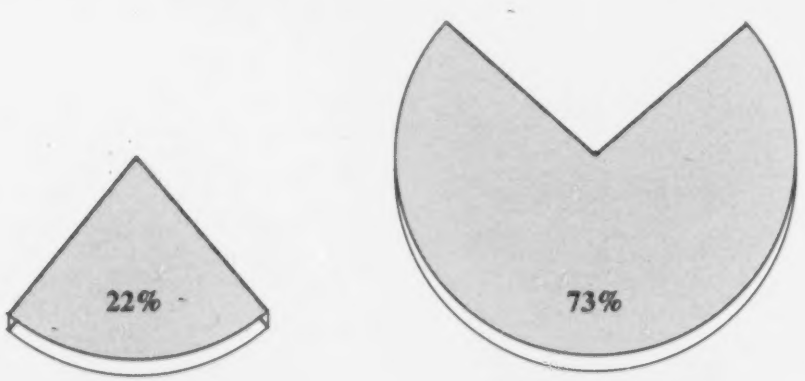
Consumer Gender - Male shoppers are not as likely to make a purchase from the in-store bakery as female shoppers.

- 47 percent of female consumers purchase bakery products.
- 28 percent of male consumers purchase bakery products.

Deli

The in-store deli is another service perishable department. This department, however, is somewhat less popular than the in-store bakery.

SHOPPING THE IN-STORE DELI
% OF CONSUMERS



CONSUMERS PURCHASING
(Middle Range: 18%-33%)

CONSUMERS IN PROXIMITY
(Middle Range: 49%-84%)

Averages are based on median statistics.

In-store consumer research establishes that just over 20 percent of shoppers make a purchase from the in-store deli, while over 70 percent of consumers pass by the deli during their shopping trips. Therefore, only three out of 10 consumers who pass by the in-store deli while shopping eventually make a purchase from this department.

The level of deli purchases depends on several factors:

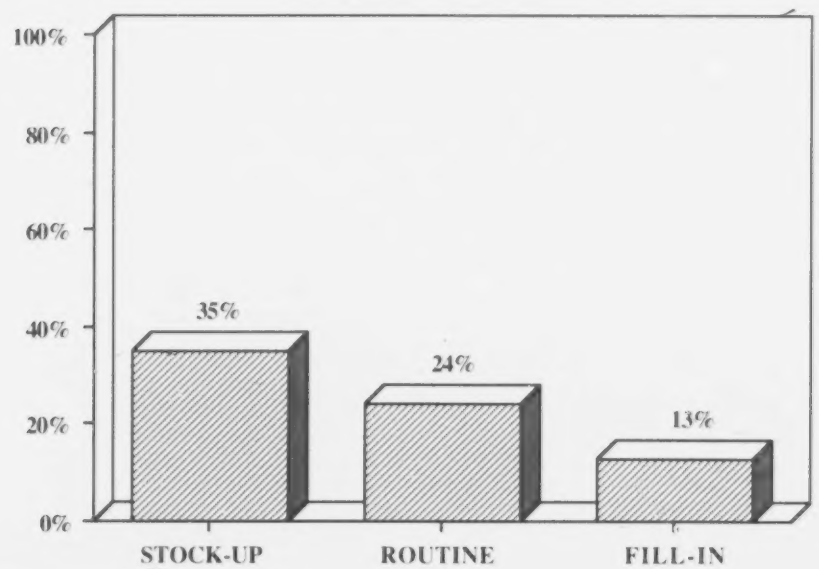
- Department location
- Store size
- Type of shopping trip
- Consumer income
- Consumer age

Department Location - In-store delis with the highest purchase levels tend to be located early in the shopping trip. For example, looking at all 16 sample stores, four of the stores with the five highest deli purchase levels located their delis early in the shopping trip--in the store's initial specialty aisle.

Store Size - The larger the store, the higher the deli purchases. All of the stores with the five highest deli purchase levels were among the largest stores in the study. These stores tended to have larger deli areas with greater selection than delis in smaller stores.

Type of Shopping Trip - Purchases from the in-store deli vary substantially according to type of shopping trip.

% OF CONSUMERS PURCHASING DELI
BY TYPE OF TRIP



Averages are based on median statistics.

Approximately 35 percent of stock-up shoppers and 24 percent of routine shoppers buy products from the in-store deli. Furthermore, most in-store delis do not attract shoppers looking for quick meals, only 13 percent of fill-in consumers make a deli purchase. This figure reveals the untapped potential for supermarkets who position their in-store delis to attract people on-the-go who want to quickly stop in for a sandwich, prepared entree, or side dish.

Consumer Income - Consumers with higher household incomes are more likely to make a deli purchase.

- 20 percent of consumers with an annual income under $25,000 purchase deli products on store visits.

- 27 percent of consumers with an annual income over $45,000 purchase items from the in-store deli.

Consumer Age - The propensity to make a deli purchase increases with consumer age, peaks, and then declines.

- 18 percent of consumers aged 18-24 purchase product from the in-store deli.

- 29 percent of consumers aged 40-49 buy deli products.

- 22 percent of consumers aged 65+ purchase deli products.

Seafood

With increased consumer focus on eating more healthily--less cholesterol and fat--many consumers are substituting seafood for traditional red meat meals.

SHOPPING THE SEAFOOD DEPARTMENT
% OF CONSUMERS

CONSUMERS PURCHASING
(Middle Range: 7%-15%)

CONSUMERS IN PROXIMITY
(Middle Range: 35%-73%)

Averages are based on median statistics.

Even with its healthful benefit, very few consumers buy seafood: only 11 percent of shoppers make a purchase from the seafood department. However, the seafood department does have a large amount of traffic passing by--over 50 percent of consumers pass by the seafood counter while shopping. Therefore, fewer than 20 percent of shoppers passing the seafood department make a seafood purchase.

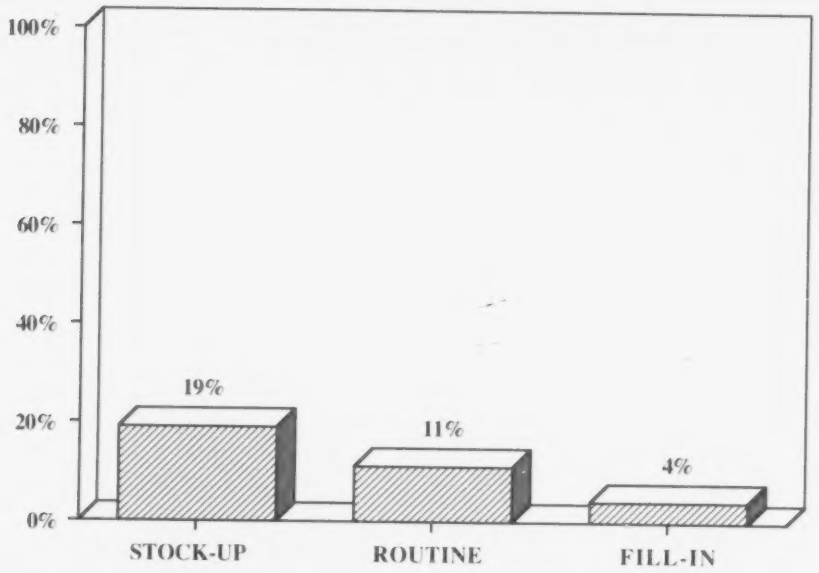
Consumer purchases of seafood depend largely on:

- Store size
- Type of shopping trip
- Consumer income

Store Size - Seafood purchases tend to be higher in larger stores. In the study, the stores with highest seafood purchase levels were also among the largest of the 16 sample stores.

Type of Shopping Trip - Seafood purchases are also affected by type of shopping trip.

% OF CONSUMERS PURCHASING SEAFOOD BY TYPE OF TRIP



Averages are based on median statistics.

Almost 20 percent of stock-up shoppers buy seafood. Furthermore, only 11 percent of routine shoppers and four percent of fill-in shoppers make a seafood purchase during a supermarket visit.

Consumer Income - Consumers are more likely to purchase seafood as their incomes rise.

- Seven percent of consumers with an annual income under $15,000 purchase seafood.
- 11 percent of consumers with an annual income between $15,000 and $45,000 purchase seafood.
- 14 percent of consumers with an annual income over $45,000 purchase seafood.

Non-food Departments

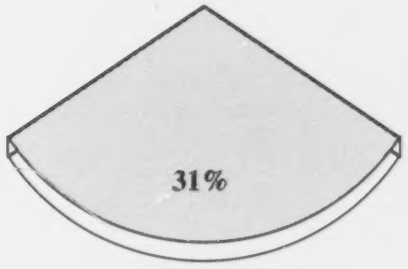
Non-food departments--pharmacy, HBC, and floral--are becoming increasingly important to the supermarket as consumers look for ways to save time and consolidate their shopping in fewer stores.

Pharmacy

Purchases from the in-store pharmacy include both prescription and non-prescription items that are handled and distributed through the pharmacy counter.

SHOPPING THE PHARMACY
(% OF CONSUMERS)

CONSUMERS PURCHASING
(Middle Range: 10%-14%)



CONSUMERS IN PROXIMITY
(Middle Range: 15%-58%)

Averages are based on median statistics.

While 31 percent of supermarket consumers pass by a pharmacy in stores offering this service, only 13 percent of consumers actually make a purchase from the pharmacy.

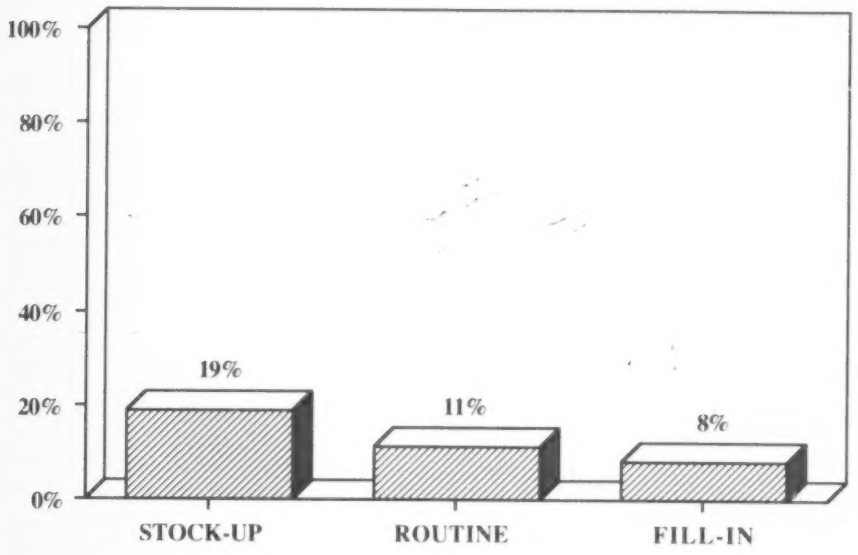
While pharmacy purchases depend primarily on a consumer's need for a medicinal/pharmaceutical product, secondary reasons for purchasing that product from the supermarket pharmacy depend on:

- Department location
- Type of shopping trip
- Consumer income
- Consumer age

Department Location - Of the 11 supermarkets in the study containing a pharmacy, the stores with the highest pharmacy purchase levels merchandise their pharmacies together with a strong HBC section. Three of the four most successful pharmacies were located in the middle of the store, while the fourth was located along the backwall.

Type of Shopping Trip - Pharmacy purchases also vary with type of shopping trip.

% OF CONSUMERS PURCHASING PHARMACY BY TYPE OF TRIP



Averages are based on median statistics.

Almost two out of 10 stock-up shoppers surveyed use the in-store pharmacy compared to one out of 10 routine and fill-in shoppers. Therefore, it is apparent that very few shoppers enter the supermarket primarily to use the pharmacy. This department is more widely used by stock-up shoppers as a convenience.

Consumer Income - The most affluent group of consumers tends to make more purchases from the in-store pharmacy.

- Approximately 12 percent of consumers with annual household incomes under $55,000 use the in-store pharmacy.

- 16 percent of consumers with incomes above $55,000 use the supermarket pharmacy.

Consumer Age - Older consumers tend to make more purchases from the in-store pharmacy.

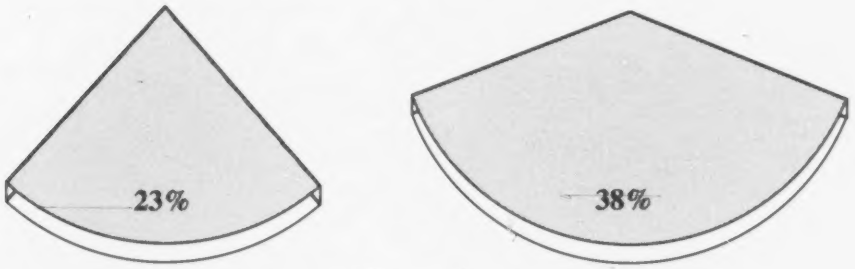
- 10 percent of consumers between the ages of 40-49 make a purchase from the in-store pharmacy.

- 15 percent of consumers over the age of 49 make a purchase from the pharmacy.

Health and Beauty Care

Supermarkets are attempting to compete with traditional drug stores by offering larger and more complete HBC departments.

SHOPPING HEALTH AND BEAUTY CARE
(% OF CONSUMERS)



CONSUMERS PURCHASING
(Middle Range: 19%-32%)

CONSUMERS IN PROXIMITY
(Middle Range: 28%-47%)

Averages are based on median statistics.

Slightly fewer than one-quarter of all consumers surveyed made a HBC purchase. Furthermore, only 38 percent of all consumers traveled through the HBC department while shopping.

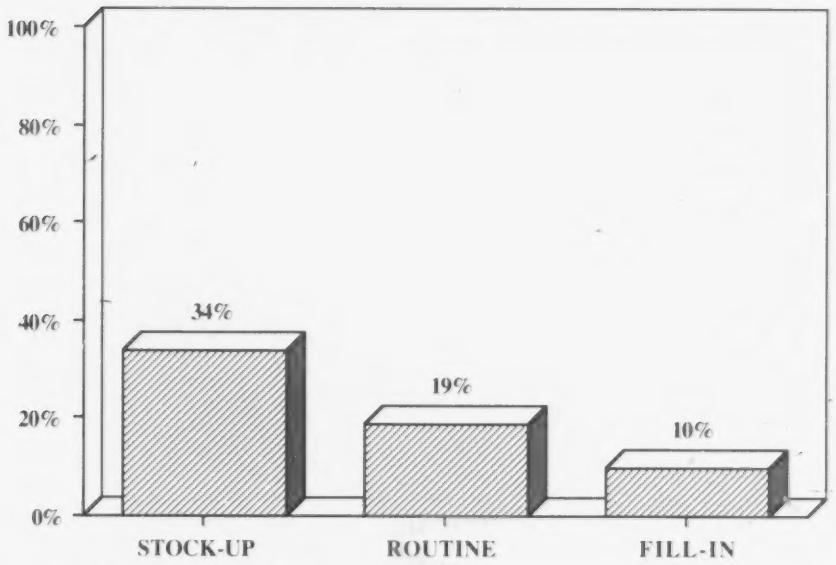
HBC purchases depend strongly on:

- Department location
- Type of shopping trip
- Consumer age
- Consumer gender

Department Location - Pulling HBC products out of regular supermarket aisles and putting them in special aisles next to an in-store pharmacy can greatly improve HBC sales. In the study, three of the four highest HBC purchase levels occurred in HBC departments which were located next to an in-store pharmacy. Furthermore, all four of the highest HBC purchase levels occurred in stores which merchandised HBC products in special aisles, separated from the regular grocery aisles. Conversely, the lowest HBC sales occurred in stores selling HBC products in the regular grocery aisles.

Type of Shopping Trip - Type of shopping trip also influences HBC purchases.

% OF CONSUMERS PURCHASING HBC
BY TYPE OF TRIP



Averages are based on median statistics.

Convenience appeals to the 34 percent of stock-up shoppers who purchase HBC products in the supermarket. Additionally, only two out of 10 routine shoppers and one out of 10 fill-in shoppers purchase HBC products, suggesting that very few shoppers stop at a supermarket just to purchase a few HBC items.

Consumer Age - Older consumers are much less likely to purchase HBC products at a supermarket than younger consumers.

- 35 percent of consumers aged 18-24 purchase HBC products.
- 23 percent to 28 percent of consumers aged 25-64 purchase HBC products.
- Only 13 percent of seniors aged 65+ purchase HBC products at the supermarket.

Consumer Gender - Male consumers are much less likely to purchase HBC products at a supermarket than female consumers.

- 27 percent of female shoppers purchase HBC products.
- 17 percent of male shoppers purchase HBC products.

Floral

Floral is another non-food department that is appearing more frequently in supermarkets across the U.S.

SHOPPING THE FLORAL DEPARTMENT
(% OF CONSUMERS)

CONSUMERS PURCHASING
(Middle Range: 2%-8%)

CONSUMERS IN PROXIMITY
(Middle Range: 14%-92%)

Averages are based on median statistics.

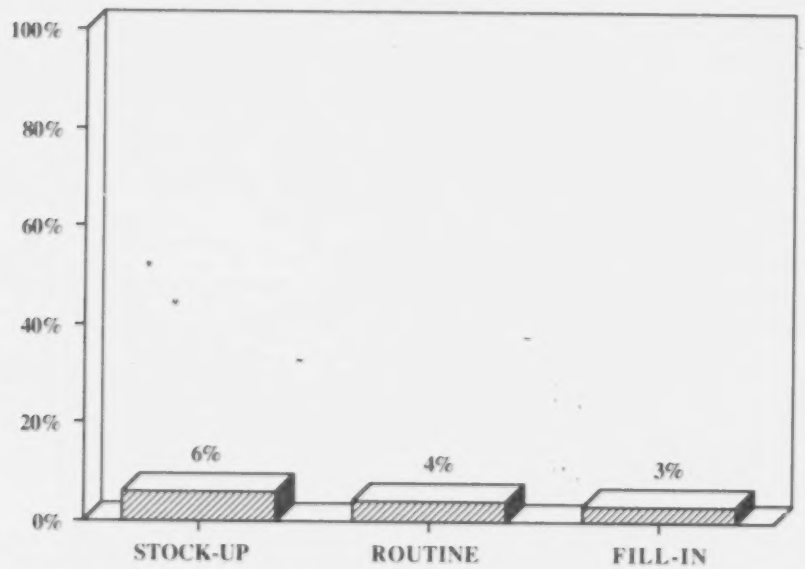
Only four percent of shoppers in the selected sample of stores, and no more than eight percent of shoppers in any one sample store, make floral purchases. Additionally, since many floral departments are located early in the shopping trip, they enjoy a large number of consumers traveling by them--over one-half of shoppers pass a floral department during a supermarket visit.

Floral purchases appear to depend on:

- Type of shopping trip
- Consumer income

Type of Shopping Trip - Type of shopping trip has only a slight impact on floral purchases.

% OF CONSUMERS PURCHASING FLORAL BY TYPE OF TRIP



Averages are based on median statistics.

Stock-up shoppers purchase slightly more floral products than either routine or fill-in shoppers.

Consumer Income - Since flowers might be considered a luxury product, it is not surprising that the floral department appeals to the most affluent consumers.

- One percent of consumers with annual household incomes under $15,000 purchased a floral product.

- Six percent of consumers with incomes above $55,000 made a purchase from the floral department.

Based on the low floral purchase levels across all types of shoppers, it appears that supermarket floral departments have not reached their full potential. Supermarkets could attract traditional flower shop customers on the basis of price and quality, and could also increase impulse purchases through effective displays.

Appendix A
Profile of Sample Shoppers

Appendix A
Profile of Sample Shoppers

A total of 2,436 consumers were interviewed for this study, i.e., approximately 150 from each of the 16 stores. The only screening criterion was that all shoppers be at least 18 years old.

The sample shoppers varied widely in terms of household size, household income, employment status, and age.

Household Size of Sample Shoppers

Household Size	% Shoppers
1	12%
2	34%
3	23%
4	20%
5+	11%

Household Income of Sample Shoppers

Income ($000's)	% Shoppers
Under 15	8%
15-25	13%
25-35	16%
35-45	18%
45-55	14%
55+	26%
Refused	5%

Employment Status of Sample Shoppers

Employment Status	% Shoppers
Employed full-time	45%
Employed part-time	16%
Not employed outside the home	39%

Age of Sample Shoppers

Age	% Shoppers
18-24	5%
25-39	36%
40-49	23%
50-64	21%
65+	15%

Gender of Sample Shoppers

Gender	% Shoppers
Female	79%
Male	21%

Appendix B

Consumer Intercept Methodology: How to Replicate This Study

Appendix B
Consumer Intercept Methodology: How to Replicate This Study

This appendix contains a detailed description of the methodology used to conduct the in-store consumer intercepts for retailers who would like to replicate the research in their own stores.

Interview Schedule

Approximately 150 consumers were randomly selected and interviewed in each of the 16 sample stores.

- Intercepts at each store were conducted over a two-day period, i.e., Thursday/Friday or Friday/Saturday.

- Intercepts were conducted in five-hour blocks throughout the day in order to accurately assess the shopping behavior of all types of consumers.

  - Day 1: 2:00 p.m. - 7:00 p.m.
  - Day 2: 9:00 a.m. - 2:00 p.m.

Intercept Approach

The following approach was used in the study and is recommended for retailers who wish to replicate the research.

- Four interviewers are recommended to conduct the intercepts.

- One interviewer is the "starter." He/she randomly intercepts consumers as they enter the store and asks if they would be willing to participate in the study. Consumers are told that if they participate, they will be interviewed at the end of their shopping trip.

- Once a consumer agrees to participate, the starter assigns the consumer an identification number and writes this number, along with the current time, on a brightly colored card. The time is noted in order to accurately determine how many minutes each consumer spends shopping.

- The starter then tapes the card to the front of the consumer's shopping cart.

- Next, the consumer is given a $1 bill in appreciation for his/her participation, and then is left alone to shop. By giving the incentive in advance, a "bond" is created and shoppers feel compelled to participate fully in the study, i.e., they are more willing to submit to an interview at the end of their shopping trip and are less likely to leave the store without being interviewed.

- The other three interviewers are stationed at the front-end, directly after the checkouts. Each interviewer is responsible for observing specific checkout lines.

- As a participating consumer settles into a checkout line, an interviewer will notice the card attached to the front of the shopping cart. The interviewer then records the time--the ending time of the shopping trip--on a questionnaire form. The interviewer may also begin to track the number of minutes the shopper spends at the checkout area.

- Once the participant pays for his/her groceries and exits the checkout area, he/she is approached by the interviewer.

- First, the interviewer removes the brightly colored card from the shopping cart and copies the information from the card (consumer ID number and start time) onto the appropriate lines on the questionnaire.

- Second, the interviewer proceeds to ask the intercept questions.

Intercept Questions

In the study, participating consumers were asked several questions in order to measure their in-store shopping behavior. A sample questionnaire is included in Appendix C. Retailers are welcome to remove and copy this questionnaire to conduct their own study.

Determining a Consumer's Shopping Pattern

To complete the intercept, interviewers show a map of the store to participating consumers and ask them to trace the shopping path they just traveled while on their shopping trip.

From the completed maps, a retailer can determine which departments their consumers traveled through or passed while shopping. Also, a retailer can calculate the percent of the store that each consumer shopped by comparing the total number of areas (aisles, departments) a consumer must travel through in order to completely shop the store, with the number of areas the consumer **actually** traveled through on his/her shopping trip.

Appendix C

Consumer Intercept Questionnaire

Consumer Intercept Questionnaire

Shopper #: _____

Time shopping trip began: _____

Time shopping trip ended: _____

Minutes spent at checkout: _____

1. Did you use a shopping list today?

   1 Yes
   2 No

2. Did you redeem any coupons today?

   1 Yes
   2 No

3. Did you read any newspaper ads for this grocery store before you shopped today?

   1 Yes
   2 No

4. How much did you spend on this shopping trip? $_____

5. How much money does your household usually spend on groceries per week? $_____

6. How many times do you and other members of your household go to the grocery store each week? #:_____

This grocery store has a number of specialty departments such as the ones on this card. **(HAND CONSUMER RESPONSE CARD A TO RESPONDENT)**

7a. In which of these departments did you make a purchase today?

7b. **(FOR ALL DEPARTMENTS MENTIONED IN 7a ASK:)** Did you plan that purchase before you entered the store or did you decide to make that purchase after you entered the store?

	Made Purchase in Department (Q. 7a)		Planned vs. Unplanned Purchases (Q. 7b)	
	Yes	No	Planned Before Entering	Decided After Entering
Produce	1	2	1	2
Meat	1	2	1	2
In-store Deli	1	2	1	2
In-store Bakery	1	2	1	2
Dairy	1	2	1	2
Seafood	1	2	1	2
Pharmacy	1	2	1	2
Floral	1	2	1	2
Health & Beauty Care	1	2	1	2
Beer/Wine	1	2	1	2
Video	1	2	1	2

The last few questions are just to help us classify your responses.

8. Are you employed part-time or full-time outside of the home?

   1 Employed part-time
   2 Employed full-time
   3 Not employed
   4 Refused

9. How many people are in your household? _____

(HAND CONSUMER RESPONSE CARD B TO RESPONDENT)

10. Into which of the following age ranges do you fall?
    Please read the number corresponding to your age range.

    1
    2
    3
    4
    5
    6 Refused

11. Which of the following ranges best describes your total household income?

    1
    2
    3
    4
    5
    6
    7 Refused

12. **(DO NOT READ - RECORD GENDER OF RESPONDENT)**

    1 Male
    2 Female

13. **USING THE STORE MAP PLOT OUT THE RESPONDENT'S SHOPPING PATTERN**

Consumer Response Card A

7. In which of these departments did you make a purchase today?

Produce
Meat
In-store Deli
In-store Bakery
Dairy
Seafood
Pharmacy
Floral
Health & Beauty Care
Beer/Wine
Video

Consumer Response Card B

10. Into which of the following age ranges do you fall?
Please read the number corresponding to your age range.

1 18-24
2 25-39
3 40-49
4 50-64
5 65+

11. Which of the following ranges best describes your total household income?

1 Under $14,999
2 $15,000-$24,999
3 $25,000-$34,999
4 $35,000-$44,999
5 $45,000-$54,999
6 Over $55,000

Appendix D

Effect of Consumer Characteristics on Measures of Shopping Behavior

Appendix D
Effect of Consumer Characteristics on Measures of Shopping Behavior

Measures of Shopping Behavior
By Household Size

	Household Size					
	1	**2**	**3**	**4**	**5+**	**Total**
Transaction Size	$21.50	$38.00	$33.00	$36.00	$35.00	$30.00
Weekly Expenditures on Groceries	$50.00	$75.00	$100.00	$100.00	$120.00	$80.00
Dollars/Minute	$1.04	$1.23	$1.34	$1.52	$1.64	$1.33
Time Spent Shopping (Minutes)	23	24	24	26	24	24
% of Store Shopped	39%	43%	40%	43%	41%	41%

Measures of Shopping Behavior
By Household Income

	Household Income ($000's)						
	>15	**15-25**	**25-35**	**35-45**	**45-55**	**55+**	**Total**
Transaction Size	$16.00	$22.00	$25.00	$33.00	$36.50	$38.00	$30.00
Weekly Expenditures on Groceries	$60.00	$70.00	$75.00	$95.00	$100.00	$100.00	$80.00
Dollars/Minute	$1.16	$1.49	$1.24	$1.36	$1.45	$1.61	$1.33
Time Spent Shopping (Minutes)	20	22	23	24	25	27	24
% of Store Shopped	33%	40%	41%	43%	44%	42%	41%

Measures of Shopping Behavior
By Employment Status

	Employment Status			
	Full-Time	**Part-time**	**Not Employed Outside the Home**	**Total**
Transaction Size	$36.00	$30.00	$23.00	$30.00
Weekly Expenditures on Groceries	$90.00	$90.00	$80.00	$80.00
Dollars/Minute	$1.45	$1.34	$1.00	$1.33
Time Spent Shopping (Minutes)	25	22	24	24
% of Store Shopped	44%	40%	38%	41%

Measures of Shopping Behavior
By Age

	Age					
	18-24	**25-39**	**40-49**	**50-64**	**65+**	**Total**
Transaction Size	$25.00	$36.00	$32.10	$30.00	$18.20	$30.00
Weekly Expenditures on Groceries	$60.00	$90.00	$100.00	$80.00	$60.00	$80.00
Dollars/Minute	$1.23	$1.58	$1.56	$1.21	$0.80	$1.33
Time Spent Shopping (Minutes)	20	24	25	25	25	24
% of Store Shopped	35%	42%	42%	40%	39%	41%

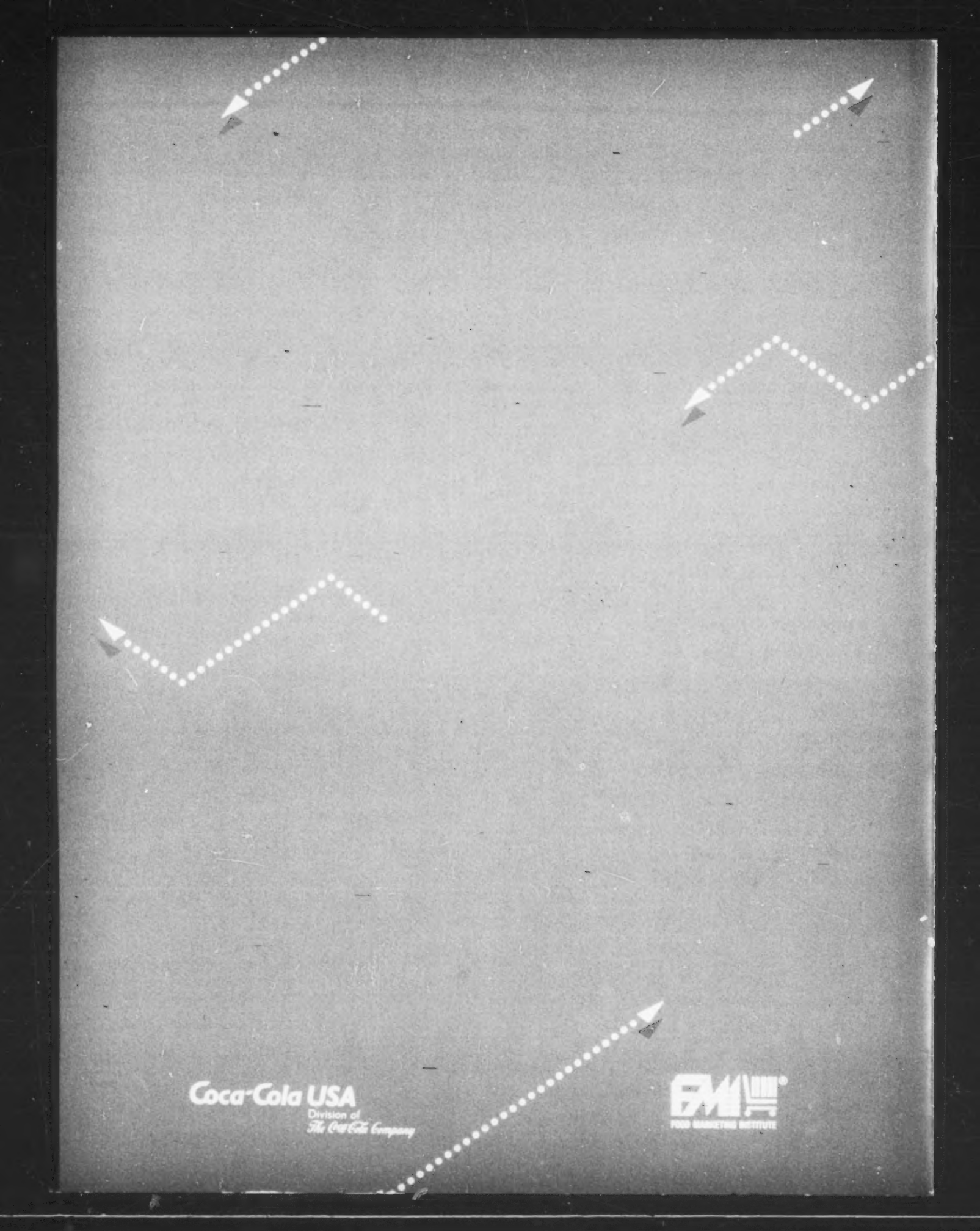
Measures of Shopping Behavior
By Gender

	Gender		
	Female	**Male**	**Total**
Transaction Size	$32.00	$23.00	$30.00
Weekly Expenditures on Groceries	$85.00	$80.00	$80.00
Dollars/Minute	$1.35	$1.25	$1.33
Time Spent Shopping (Minutes)	26	18	24
% of Store Shopped	43%	37%	41%

Measures of Shopping Behavior
By Type of Trip

	Type of Trip		
	Stock-up	**Routine**	**Fill-in**
Transaction Size	$69.00	$30.00	$10.00
Weekly Expenditures on Groceries	$75.00	$85.00	$100.00
Dollars/Minute	$1.74	$1.33	$0.80
Time Spent Shopping (Minutes)	38	23	13
% of Store Shopped	58%	44%	27%

Averages are based on median statistics.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